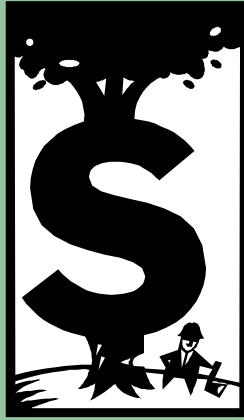


Where's the Money?



Indirect Funding Sources

- Environmental Remediation Tax
Incremental Financing
- Local Governmental Cost Recovery Tool
- Development Zone Tax Credits
- Cancellation of Delinquent Taxes
- Other taxing issues



Environmental Remediation Tax Incremental Finance District

- A financing tool
- To reimburse eligible environmental pollution remediation costs
- Taxes provide revenue



Who Can Use it?

- Political Subdivisions (PS)
 - Village
 - Cities
 - **Towns**
 - **Counties**



Eligible Costs Are:

- Capital costs
- Financing & professional service costs for:
 - investigation
 - removal
 - containment
 - monitoring
 - property acquisition NEW
 - restoration
 - demolition NEW
 - removal of underground storage tanks or abandoned containers NEW

More!

Where can it be used?

- Contiguous Parcels
- Not currently part of a TID
- Groundwater remediation without regard to property above
- PS need not own property

New and Improved!

Process

Earlier Approval

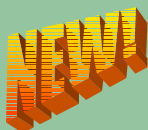
- PS conducts environmental investigation
- DNR approves investigation
- Governing body develops & approves a written proposal
- Joint Review Board approval
- Written application sent to DOR

What Next?

- DOR certifies base value and sends a notice to PS
- PS conducts remediation
- Annual reporting
- Reimbursement collected through the property tax
- Maximum life is 16 years after base is certified

For more information:

- DOR contact:
 - Judie Gibbon (608) 266-5708
 - jgibbon@dor.state.wi.us
 - or Pamela Hennessey (608) 264-6895
 - phenness@dor.state.wi.us
- ER TID base value packets
 - also available on the internet at www.dor.state.wi.us under forms



Local Government Cost Recovery Tool

A tool to give local governments clear authority to recover environmental costs.
(s. 292.33, Stats.)



Local Government Cost Recovery Tool

How does it work?

- Property must be acquired through:
 - escheat
 - condemnation
 - slum or blight
 - stewardship funds
 - tax delinquency
 - bankruptcy

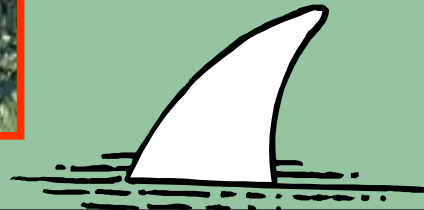


Local Government Cost Recovery Tool



What costs are recoverable?:

- investigation
- remediation
- administration, except legal fees



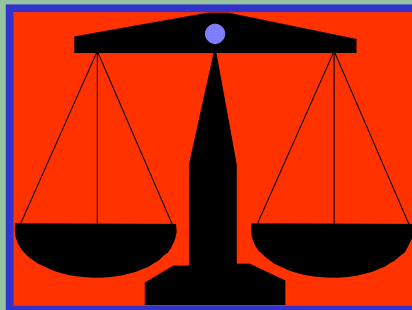
Local Government Cost Recovery Tool

Who can LGUs recover costs from?:

- persons who caused contamination, &
- last owner of property
(in this order...)



Local Government Cost Recovery Tool



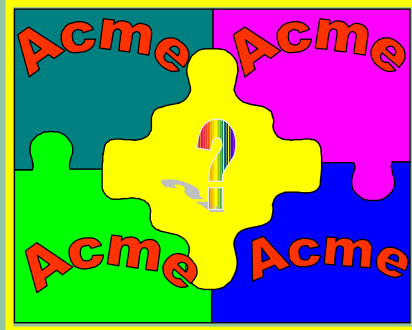
Who can local government recover from?:

- ① may recover
“proportion” of the
environmental costs
that each person
contributed.

Local Government Cost Recovery Tool

Case example:

- The Acme Wigget Co, caused 80% of contamination.
- LGU may seek that share of the environmental costs from them.
- No other responsible parties were found.

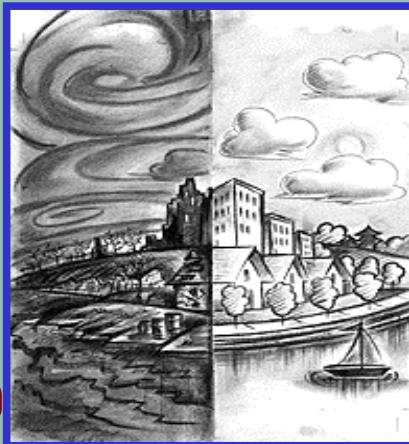


Local Government Cost Recovery Tool

Who can local government recover from?:

- ② May recover any remaining eligible costs from the last property owner.

Who pays for the 20%?



Local Government Cost Recovery Tool

Conditions on recovering costs:

- Need to reduce total costs by subtracting fair market value of property.
- Cannot “re-clean” areas of property where state has given cleanup approval.
- Cannot recover costs against persons who have certain state exemptions.
- Six years to commence recovery action once cleanup is completed.

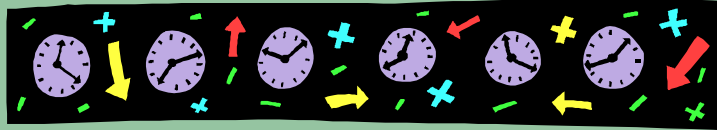


Taxing Issues



Taxing Issues

- Development Zone Tax Credits
- Cancellation of Delinquent Taxes
- Transfer of Tax Delinquent Property to Municipality
- Assignment of Contaminated Tax Delinquent Property



Development Zone Tax Credits

- Businesses in development zones can receive state income tax credits
- Environmental Remediation Tax Credit- 50% credit for investigation and remediation expenses
- Administered by the Department of Commerce
- www.commerce.state.wi.us/CD/CD-bed.html



Development Zone Tax Credits **(cont.)**

- 20 Community Development Zones
- Enterprise Development Zones - Site Specific For New or Expanding Businesses

What's New!

- Department of Commerce must create 10 Enterprise zones to encourage remediation at brownfields

Cancellation of Delinquent Taxes

- New law (s.75.105, Stats.) allows Counties and City of Milwaukee to cancel all or portion of back property taxes if:
 - property is contaminated
 - purchaser enters into agreement with DNR to cleanup property

Cancellation of Delinquent Taxes

How?

- Prospective purchaser contacts county
- If county will help, person purchases property from current owner
- New owner enters into agreement with DNR to cleanup property
- The county cancels some or all of the back taxes

Cancellation of Delinquent Taxes- *Ashland County*

Three contaminated properties

–2 gas stations and 1 bulk oil plant

- Years of Back Taxes (one over 10 years)
- Owners went out of business
- Properties were blighted, eye sore



Cancellation of Delinquent Taxes- *Ashland County*

- New purchaser entered into agreement with the the County to:
 - purchase property
 - pull underground storage tanks
 - cleanup property
 - pay small share of back taxes (\$700 on one)
- After cleanup is completed, County will cancel all the remaining back taxes
- Banks wrote-off unpaid costs

Transfer of Tax Delinquent Property to Municipality

Under new law (s. 75.17, Stats.), County must transfer property to municipality for no consideration if:

- Municipality makes written request
- Property is contaminated
- Request occurs within 2 years of redemption period
- County does not want to take title

Assignment of Contaminated Tax Delinquent Property

- Proposed revision to tax lien process (s. 75.106, Stats.)
- Counties and City of Milwaukee pursues foreclosure on tax lien
- Assign judgment for tax delinquent brownfield to new owner
- Owner must enter into agreement with DNR to cleanup property

Direct Funding Sources (Grants & Loans)

- Commerce Brownfields Grants
- Blight Elimination and Brownfields Redevelopment Grants
- Land Recycling Loans
- Site Assessment Grants
- Stewardship
- Coastal Management
- Others



Wisconsin's Brownfields Grants

Department of Commerce



Commerce Grants 101

- Created in 1997-1999 budget
- Continued in 1999-2001 budget; \$12.2 million for biennium
- \$400,000 for projects without consideration of jobs
- Will accept applications for 4th round in Summer

Program Requirements

- Grants can go to Local Governments, Private Businesses, Developers, & Others
- Person who caused contamination can not be found or is unable to pay for cleanup
- At least Phase I and II must have been completed

What can the grants be used for?

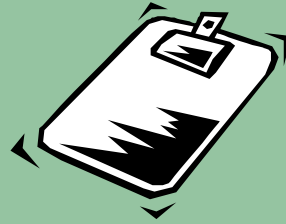
- property acquisition
- site investigation
- preparation of RAP
- demolition
- renovation
- remediation



Scoring Criteria

Potential to promote Economic Development

- jobs created
- economic distress in area
- increased property tax value



Positive Environmental Effect

Innovativeness of Proposal

Amount and Quality of Recipient's Contribution

For More Information

- Call Jackie Jarvis (Dept. of Commerce)
at 608-266-7562



Blight Elimination and Brownfields Redevelopment (BEBR)

- Department of Commerce Grant Program



What is the BEBR?

- Part of the Community Development Block Grant (CDBG) program (US Dept. of Housing & Urban Development program)
- Designed to assist communities with assessing or remediating the environmental contamination of a brownfield in a blighted area, or an area that qualifies as blighted



BEBR Eligibility (Small Cities)

- Towns, villages, or cities that are not entitlement communities
- Communities in any county other than Milwaukee, Waukesha, and parts of Dane



How BEBR Funds Can Be Used for Blighted Sites:

- Phase I and II environmental assessments
- Environmental investigations
- Remediation
- Must meet some conditions...



Conditions of the BEBR:

- Applicant has a redevelopment plan for the property
- Project will result in a commercial or industrial redevelopment use
- Environmental remediation costs from responsible parties are pursued
- Demonstrate financial need



BEBR Money Available:



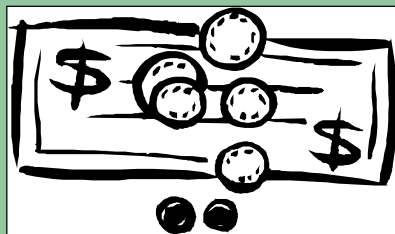
- \$5 million per biennium
- Maximum award for environmental assessments is \$100,000
- Maximum award for environmental remediation projects is \$500,000

For More Information

- Dept. of Commerce web site at www.commerce.state.wi.us/CD/CD-bfi.html
- Regional Dept. of Commerce Area Development Managers (phone numbers on the web site)
- Jim Frymark: (608) 266-2742



Land Recycling Loans



**NR 167 - \$ from
the Federal Clean
Water Act**

Local Government Tool

Land Recycling Loans (LRL)

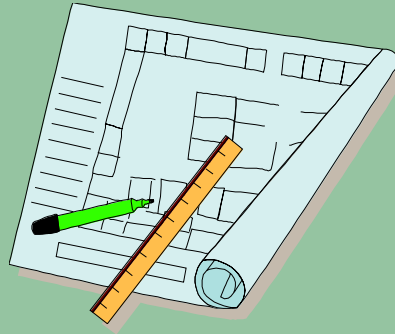
- Local Governments only
- Funds remediation projects
 - contamination affects surface or groundwater
 - haz substance discharged on/after 5/21/78
 - solid waste or approved mining facility
- Local govt. must own the site
- Can refinance assessments & investigations
- 0% interest; annual fee

More about the LRL

- \$20 M available
- Submit Intent to Apply (ITA) by 12/31
- Expect loan the next fiscal year 7/1 to 6/30
- Maximum term of loan is 20 yrs
- Can only issue general obligation bonds
- Adds to total municipal debt

Project Priority List

- Rank projects on ability to reduce:
 - environmental pollution
 - human health threats
 - redevelopment potential (except LF)



For More Information

- Maureen Hubeler at 608-266-0849
- Visit the website at:
www.dnr.state.wi.us/org/caer/cfa



Brownfield Site Assessment Grant Program **NEW!**



NR 168

- Startup Help for Local Governmental Units
- s. 292.75, Wis. Stats.

New Grant Program Highlights

- Local governmental units
- \$1.45 M available - August 1 & Nov 1
- Preliminary site work
- Fast track application & grant awards



Brownfield Site Assessment **Grant**

- Eligibility
- Activities
- Small Grants
- Large Grants



Brownfield Site Assessment **Grant**



- Application Scores
- Application Information
- Schedule
- Future

Eligibility



Eligible Applicants

- city, county, town, tribe, or village
- community development, housing, or redevelopment authority
- cannot have caused the contamination

Eligibility



Properties where:

- Site is suspected or known to be contaminated
- Person who caused the contamination is
 - unknown
 - unable to be located
 - unable to pay for the grant activities

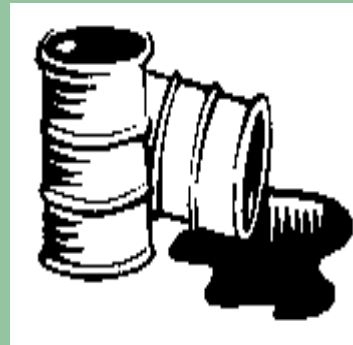
Eligible Activities



- Phase I, II or site investigation
- Demolition
- Asbestos abatement

Eligible Activities

- Removal & disposal of abandoned containers
- Removal of USTs for petroleum or hazardous substances



Two Types of Grants

- Small grants
- Large grants

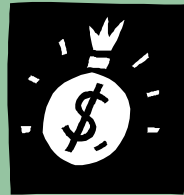
Proposed!!



Proposed!!

Small Grants

- 70% of funding or \$1.01 million
- \$2,000 to \$30,000
- Applications due August 1
- 20% applicant match
- 12 months to complete grant work



Proposed!!!

Large Grants

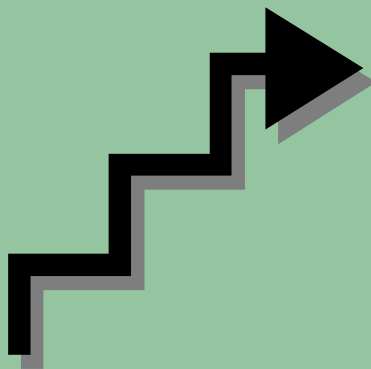
- 30% of funding or \$435,000
- >\$30,000 to \$100,000
- Applications due November 1
- 20% applicant match
- 12 months to complete grant work



Proposed!!!

Application Scores

DNR will evaluate based on:



- Previous eligible expenses
- Title to property
- Condemnation
- Site location
- Public hazard
- Match >20%

Application Information

Applicant will need to submit to DNR the following info about the property:

- Status as a brownfield
- Contamination is suspected or known
- Applicant did not cause contamination
- Person who caused contamination:
 - unknown
 - can't be located
 - can't pay for work

What can I be doing now?

Application Information



- Previous expenses
- Project budget
- Proposed 20% match
- Access or ownership
- Services qualification

Proposed Schedule

- May 23 Natural Resources Board
 - approve emergency rule NR 168
 - approve public hearings on permanent rule
- June 12, 13 & 15 Public hearings
- July 17 Revisions due



Proposed Schedule

- August 1 Small grant applications due
- August 15-16 Natural Resources Board decides on permanent rule
- September NR 168 goes to Legislature
- November 1
 - Large grant applications due
 - Small grant applications due



Site Assessment Grant Future

- Recommendations from the Brownfields Study Group
- One-time funding
- Need by LGUs
- Demonstration of benefits & results
- Integration with other brownfields financial incentives

Different from Other Programs

- Expanded applicants
- Preliminary activities
 - Site assessment/investigation
 - Asbestos abatement with demolition
 - Tank removal
- No requirement for:
 - development plan
 - job creation
- No federal administrative requirements



LGU Preparation

- Look for eligible sites
- Determine eligible activities
- Plan for 20% local match
- Clarify access/ownership
- Clarify cause of contamination
 - available information
 - person who caused contamination



Advice to LGUs

- Join the RR News Listserve to receive the latest news
- Email majordomo@badger.state.wi.us
subscribe rr in the body
subject line is blank
- Contact DNR for more information
 - Regional R&R staff
 - Central Office 608-266-9263

Stewardship 2000

- Acquisition of land or easements
- LGU exemption
- 50% local match
- Public benefit
- For more information:
Janet Beach Hanson
- 608-266-0868



Coastal Management



Federal funds for Wisconsin's coastal
counties - Lakes Superior &
Michigan

Brownfields & Coastal Management



- Location within coastal county
- Enhance or protect coastal resources
- Provide public access
- Multi-partner projects
- Public sector involvement

Annual Grant Cycle

- RFP in mid-November
- Applications due end of January
- Decisions made in April
- Funding available Oct 1 - Sept 30



Grant Programs

- Wetlands
- Cumulative & Secondary Impacts of Development
- Coastal Resource
- Public Access
- Land Use & Management Planning

Coastal Management Funds

- \$700,000 available annually
- Average \$30,000
- Cost share
- <\$30,000 50/50
- >\$30,000 40/60 grant/recipient



Coastal Management

For more information:

608-266-8234

- coastal@doa.state.wi.us
- <http://www.doa.state.wi.us/dhir/boir/coastal/>



Newly Revised Publication!!

The Financial Resource Guide for Cleanup & Redevelopment

- Grants
- Loans
- Tax Credits

